# ALBERTA'S FOREIGN OFFICES

## An Overview

Alberta
GOVERNMENT OF ALBERTA

# ALBERTA'S FOREIGN OFFICES:

# AN OVERVIEW

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# Alberta's Foreign Offices: An Overview

Alberta's foreign offices are located in six key financial and business centres of the world — London, New York, Tokyo, Hong Kong, Los Angeles, and Houston. Each of these locations is of particular strategic importance to the province's international objectives, as reflected by the primary role of each office.

## Purpose

Alberta's foreign offices are a key element of the province's economic development and diversification strategies.

With a small population and an economy based on natural resources, Alberta's economic growth is influenced by how well we market our agricultural and forestry products, oil and natural gas, petrochemicals, expertise and technology in the area of oil and gas production, and manufactured products. The province's economic growth is also influenced by its ability to attract investment to develop industries and employment in these areas and others, such as high technology. Similarly, our economic future will be affected by how well we market Alberta's natural beauty and its many recreational opportunities to promote the growth of our tourism sector.

To be successful, we will have to be vigilant and aware of the activities of our competitors in the world marketplace. We must have excellent, timely information and knowledge not only of our key markets and of the activities of our competitors, but also of the trade policies, priorities and strategies of our trading partners. Equipped with this information, we can attempt to pre-empt any measures detrimental to our interests. This is particularly important since many countries — including our major trading partner, the United States — are growing increasingly protectionist.

## Objectives

Alberta's foreign offices play a vital role in promoting the province's international interests. The offices work in conjunction with Alberta's private sector, government departments, and Canadian Embassies and Consulates on a wide range of projects and activities. While each office has a somewhat different mandate, all six share the following primary objectives:

- promoting the sale of Alberta products and services in their regions, in cooperation with Alberta businesses;
- encouraging and securing investment and, where appropriate, business immigration, to contribute to Alberta's economic development, diversification, and employment;
- providing intelligence and information on developments and competitors in each region and contributing to the formulation of Alberta's trade and investment strategies; and
- enhancing the awareness and understanding of Alberta in the region, thereby marketing Alberta in the broadest sense.

Most of the offices also have an active and important role in:

- promoting Alberta as a tourism destination for foreign visitors;
- identifying high technology products and services developed by offshore companies and institutions which could be of potential benefit to Alberta; and
- assisting with cultural and educational activities.

The mandate of each office varies according to Alberta's particular interests in the region:

- Alberta House in **London** was first established in 1913, a fact which reflects Alberta's close ties with the United Kingdom. While closed between 1918 and 1927, and again after 1931, it has been open continuously since 1948. Today, it is responsible for pursuing Alberta's

interests in the United Kingdom and Europe. The office has a very broad focus, and is continually involved in working with Albertans who have business and other interests in the region. It concentrates on assisting a wide variety of Alberta businesses — ranging from food companies, to the film industry and engineering firms — in their pursuit of export opportunities; on securing investment; and on attracting tourists to Alberta. In light of London's position as one of the three foremost financial centres in the world, as well as a major international energy centre, the Alberta office is also ideally situated to assist financial organizations and others who find it advantageous to visit London.

- The **Tokyo** office has been open since 1969 and is responsible for promoting Alberta's interests in Japan and Korea. The pursuit of trade and investment opportunities in sectors as varied as agriculture, energy products, forestry, and manufacturing are key to its responsibilities. The range of products marketed has increased substantially — from coal and wheat during the initial years, to petrochemicals, lumber, canola, malt, barley, oats, rye, forage seeds, peat moss, cheese, frozen vegetables, red meats, and honey today. The Tokyo office also promotes Japanese tourism to Alberta, and is responsible for Alberta's special relationships with the provinces of Hokkaido, Japan and Kangwon, Korea.

- The **Hong Kong** office, established in 1980, is responsible for promoting Alberta's interests in the People's Republic of China, South East Asia, Australia and New Zealand. The office focuses on trade development in the entire region. It emphasizes sales of Alberta oil and gas equipment and services, agricultural products including beef, and a wide variety of other goods. Staff in the office also work to attract investors and business immigrants to Alberta.

- The **New York** office, officially opened in 1982, is responsible for pursuing Alberta's interests in the United States. Its primary mandate is to monitor financial and economic developments in New York and political developments in Washington, D.C., and to assess those issues which have an important impact on Alberta, such as oil and gas regulatory decisions, agricultural legislation and specific trade irritants. Emphasis is also placed on securing investment by maintaining close ties with the New York financial community.

- The **Los Angeles** office concentrates its efforts in the Western United States. Established in 1964, it has focused on trade, investment and joint venture opportunities in a number of different areas, including energy and high technology. Monitoring Alberta's natural gas sales and market opportunities in the region is a key function of this office. In view of the importance to Alberta of tourism from the California region, a permanent tourism representative was added to this office in 1986 to help Alberta capture an even greater share of tourism from that area.

- The **Houston** office, opened in 1981, represents Alberta in the Southwestern United States and focuses on the export of Alberta's products, particularly its oil and gas equipment and services. Many Latin American companies maintain purchasing representatives in Houston, and sales efforts are directed not only to the region but to offshore markets in Latin America.

## Specific Services

More specifically, responsibilities of staff at Alberta's offices can be described as follows:

- Promoting the exports of Alberta goods and services involves:
  - continuous contact with business, governments, and leading industrialists in the region with a view to finding new opportunities for Alberta companies seeking new export markets;
  - monitoring trends and policies in the region;
  - relaying commercial information, intelligence and trade inquiries to potential suppliers or government departments in Alberta; and
  - helping to "open doors" for Alberta business people.

This direct assistance to Alberta business people is a primary function of the offices and includes:

- assistance with market research, introductions, arrangements for meetings;
- participation in trade shows or other promotional activities;
- advice on business customs in the region;
- language assistance;
- help with necessary follow-up to visits to the region; and
- many other forms of advice and help.

These services to business are important at all stages of the marketing effort. At the initial stages, for example, the advice on business customs and the translation and interpretation assistance which can be provided, for instance, through Alberta's Tokyo office, will greatly assist a business person to feel more "at home" in a different environment. At a more advanced stage, Alberta's offices can provide a trusted conduit for follow-up inquiries, helping to reduce the number of trips which may have to be made to a region before a deal can be successfully concluded.

- Securing investment to Alberta includes:
  - monitoring capital markets;
  - developing and maintaining important contacts with financial and investment communities;
  - promoting a positive image toward Canada and Alberta on the part of foreign investors;
  - seeking out and directing potential investors and business immigrants to Alberta;
  - facilitating direct company contacts regarding joint ventures and licensing arrangements;
  - participating in major conferences, conventions, trade shows and industry meetings;
  - arranging investment seminars;
  - advertising; and
  - distributing information materials.
- Gathering intelligence and information on developments and competitors in the region involves:
  - maintaining close contact with key decision-makers, such as representatives of the government, financial and commercial sectors;
  - providing recommendations to Alberta government departments and businesses on how Alberta should react/adjust to new situations and opportunities. This could include advice on how to:
    - deal with certain trade barriers;
    - counteract or emulate efforts being made by our competitors;
    - capitalize on opportunities to expand our market share;
    - determine the timing and content of promotional activities;
    - deal with potential trade actions by our trading partners.
- Developing and enhancing a general awareness an positive image of Alberta is achieved through:
  - participation in major events involving Canada;
  - public speaking engagements;
  - distribution of information such as brochures, newsletters and video materials; and
  - meeting with appropriate individuals or groups to explain Alberta's interests on particular topics (e.g. Canada-U.S. trade, increased world protectionism).
- Promoting tourism involves a wide variety of measures to increase awareness of Alberta as a tourism/business destination. This includes:
  - ongoing contact with tour operators and travel companies;
  - distributing brochures and other information;
  - advertising;
  - educational seminars;
  - media promotions; and
  - undertaking new and creative promotional activities aimed at increasing interest in Alberta as a tourist destination.

Another important role of the offices is continuously to monitor the tourist marketplace in their region for any change, so that the Alberta government can make any adjustments required in its overall tourism marketing strategy toward that region.

- Assisting with cultural and educational activities includes:
  - helping Alberta artists obtain international exposure through tours, performances or exhibitions of their work (such events can, at times, be held at Alberta's offices);
  - arranging receptions associated with a cultural activity and providing an opportunity for Alberta artists to meet with critics and interested audiences and receive important feedback on their work;
  - provide logistical support to academic exchanges;
  - encouraging the interest and development of Canadian Studies at universities in the regions; and
  - working with local alumni from Alberta universities to promote Alberta.

## Cooperation with Federal Posts

An important function for Alberta's representatives abroad is to ensure that Alberta's offices and Canada's Embassies and Consulates work in close cooperation with each other. A good interpersonal working relationship between the Alberta office and the Canadian post will ensure that Alberta has access to timely information on developments and opportunities in the region which we might not otherwise learn about until much later. As an example, the offices can ensure that Alberta companies have opportunities to participate in federally-sponsored trade missions or other promotional activities in the region. In addition, the Alberta offices keep Canadian diplomats informed about Alberta interests, priorities, and expertise, so that they too, can work on Alberta's behalf.

Questions are sometimes asked as to why Canada's Embassies and Consulates cannot provide the services that Alberta's offices provide, and if Alberta is not in fact duplicating Canada's efforts abroad. While Alberta offices work closely with federal government posts abroad, we cannot rely exclusively on these federal posts to protect and promote Alberta's interests effectively. In the areas of trade and investment, for example, the federal offices have a broad mandate to serve all regions of Canada. Recognizing the difficulty for them to maintain up-to-date and detailed knowledge of Alberta's capabilities and opportunities, the province must supplement their endeavours. This is especially true at the present time, as expenditure restraints at the federal level mean that embassies and consulates cannot devote as much time and effort to Alberta's interests as is necessary.

## Staffing

The offices are staffed by both Alberta officials who have been posted to the offices for specified periods of time, and by employees who have been hired locally. Following is an outline of the personnel allocations in each office for the 1987–88 fiscal year. A more detailed breakdown is attached (Appendix A).

| | Posted from Alberta | Locally Hired | Total |
|---|---|---|---|
| London | 3 | 8 | 11 |
| New York | 2 | 2 | 4 |
| Tokyo | 2+1* | 9 | 11 +1 |
| Hong Kong | 3 | 7 | 10 |
| Los Angeles | 2 | 2+2** | 4 +2 |
| Houston | 1 | 1 | 2 |
| TOTAL | 13 +1 | 29 +2 | 42 +3 |

* Agriculture representative on contract with a major Japanese retailer.

** Two fixed-term, contract, project positions reporting to Director of Tourism.

Four of the offices are headed by Agents General — London, New York, Tokyo, and Hong Kong. Agents General are appointed by Order in Council and report to all Cabinet Ministers through the minister of Federal and Intergovernmental Affairs. Each of the offices has one or two posted representatives from other Alberta government departments — Economic Development and Trade, Tourism, Agriculture, and/or Career Development and Employment. The offices in Los Angeles and

Houston are headed by Directors appointed by Economic Development and Trade.

The locally-hired staff complement include administrative support for office management; for secretarial duties; to handle general inquiries about Alberta; to assist with cultural and educational activities; to deal with routine tourism, commercial and other matters, etc. Other support staff are commercial officers who are familiar with the business community and will also act as interpreters (in Tokyo and Hong Kong).

## Foreign Offices of Other Provinces

Many other provinces have found it useful to have offices abroad. Similarly, states of many other nations have established offices overseas, and like Canadian provinces, are represented in key centres around the world. For example, in Tokyo alone there is representation from 30 U.S. states, six Australian states, and four Canadian provinces.

Following is a brief summary of other Canadian provinces' operations. Attached, as Appendix B, is a more detailed outline.

**Quebec** has 21 offices, and is represented in five Canadian Embassies for a total of 26 locations around the world — eight in Europe, seven in the United States, five in Latin America, four in Asia, and two in Africa.

**Ontario** has 12 offices, plus one official posted to the Canadian Embassy in Seoul. Six of the offices are in the United States, three in Asia, and three in Europe.

**British Columbia** has five offices — one in London, another recently opened in Tokyo, three in the U.S., and four representatives in Canadian Embassies or Consulates, under a "co-location" arrangement with the Canadian posts in Hong Kong, Seoul, Dusseldorf, and in the near future, San Francisco.

**Saskatchewan** is represented in London by posted employees, and in Hong Kong, New York and Minot, North Dakota by locally engaged commercial officers.

**Nova Scotia** has an office in London and a tourism office in Portland, Maine.

**Manitoba** has a small office in Hong Kong.

New Brunswick, Prince Edward Island and Newfoundland have no offices abroad.

## Benefits and Costs

The province's foreign offices have one major commodity to sell — Alberta: its talents, its skills, its beauty, its products, its business climate, its potential. No dollar figure can be placed on creating awareness, gathering intelligence, disseminating information, or monitoring developments. Nor is it possible to accurately and precisely pin-point the tens of millions of dollars in sales and investment that have come to Alberta as a result of direct involvement by our foreign offices. A brief overview of recent activities by Alberta's foreign offices (Appendix C) clearly attests to the positive and profitable nature of their efforts.

Representatives of Alberta's private sector, working in cooperation with the offices and various government departments, acknowledge the role of the foreign offices as a complement to their activities. Furthermore, Alberta Economic Development and Trade estimates that, without an ongoing presence in the foreign markets, the $500-$600 million in annual, average, intended capital investments which Alberta has received over the past several years from countries in which our foreign offices are located would not have been fully realized. Similarly, without the involvement of the foreign offices, it is unlikely that Alberta could have reached a figure of $14 billion for the value of its exports in 1985.

In helping businesses, Alberta's offices play the role of facilitator or catalyst in a sales or investment effort. They help "smooth the road" for the Alberta business person. The assistance provided can be only one small part of the long continuum of steps required to close a business contract, or it can include the office in every step of the way toward that contract. Sometimes the office is a place for business people to call "home," to use for messages, telephones and telexes, for advice on basic business customs, or for recommendations on initial market inquiries. Sometimes the assistance provided may involve more in-depth advance work

prior to a visit and continuous help to overcome language barriers. At other times, assistance may involve checking on competitors in the market, or follow-up to previously established contacts.

The benefits to Alberta business of having a permanent presence in a region cannot be overstated. Many Alberta companies do not have the time and the financial resources required to pursue potential commercial opportunities with the persistence, continuity and day-to-day contact required to build up the trust and the knowledge which are often pre-requisites to new business ventures. The success of many Alberta firms in trading into the international marketplace or in attracting investment into Alberta has been due to — and will continue to depend on — the efforts of Alberta's foreign offices.

Additionally, the offices have undoubtedly had an important role in increasing the number of tourists to Alberta from Europe, Asia and the United States. Their activities range from providing information to individuals walking-in, to counselling tour directors and travel agents, to launching full-scale displays and seminars at large exhibitions and shows.

Over the years, Alberta has benefitted from world-wide media exposure. Staff of the foreign offices are quick to capitalize on opportunities to promote the province's natural beauty, and its skilled and talented people.

For the fiscal year 1987–88 the total cost of operating Alberta's six foreign offices is estimated at $7,237,000. Details of the contributions of various provincial government departments to the operating expenses of the offices for the fiscal years 1987–88, 1986–87 and 1985–86 are included in Appendix D.

## Alternatives

Prior to a decision on the establishment of a provincial office abroad, alternative forms of representation are given detailed consideration. Options such as placing a provincial representative in a Canadian Embassy, hiring a local agent to pursue Alberta's interests, or using consultants to meet particular needs, are all examined. These alternatives are utilized, as appropriate. Currently, for example, Alberta Tourism has a contract with consulting companies in Geneva and in Washington, D.C. to seek business meetings and conventions for Alberta. Consulting companies also are used from time to time to provide intelligence and information on specific issues such as specialized market information or analysis of a particular trade irritant.

Each of these alternatives enables us to address some of our specialized needs. Only a full provincial office, however, can serve Alberta's broad, general interests, and effectively promote these broad interests in key markets. The range and type of services these offices provide to Alberta businesses and to government departments could not realistically be obtained through other means. Much more frequent trade, investment and tourism promotion missions, and considerably greater use of consultants and local agents would be required. The cost of such efforts could rapidly amount to as much, if not more, than the cost to operate the offices — without the benefits of having a continuous, permanent Alberta presence "on the spot."

# APPENDICES

# APPENDIX A

## ALBERTA'S FOREIGN OFFICES

### Staffing

| | Posted from Alberta | Locally Hired | Total |
|---|---|---|---|
| London | Agent General | Executive Assistant<br>Office Manager | 11 |
| | Director, Economic Development & Trade | Asst. Administrator<br>Receptionist<br>Driver/Maintenance | |
| | Director, Tourism | Three Secretarial/ Administrative Support | |
| New York | Agent General | Two Secretarial/ AdministrativeSupport | 4 |
| | Director, Business Development | | |
| Tokyo | Agent General | Sr. Commercial Officer | 11<br>+1 (on contract outside office) |
| | Trade Director, Agriculture | Two Commercial Officers | |
| | Asst. Director, Agriculture (on contract at major Japanese retailer) | Tourism/Culture Counsellor<br>Office Administrator<br>Receptionist<br>Three Secretarial/ Administrative Support | |
| Hong Kong | Agent General | Asst. Trade Director<br>Office Administrator | 10 |
| | Director, Economic Development & Trade | Receptionist<br>Driver/Messenger<br>Three Secretarial/ Administrative Support | |
| | Director, Career Development & Employment | | |
| Los Angeles | Director, Economic Development & Trade | Two Secretarial/ AdministrativeSupport | 4<br>+2 (one on contract outside office) |
| | Director, Tourism | Two fixed-term, contract positions for tourism promotion projects | |
| Houston | Director, Economic Development & Trade | One Secretarial/ Administrative Support | 2 |
| | | TOTAL: | 42<br>+3 (contract positions) |

## APPENDIX B

## PROVINCIAL REPRESENTATION ABROAD — BY PROVINCE

| | Locations Represented | Department Responsible |
|---|---|---|
| **Ontario** | London | Industry, Trade & Technology |
| | Paris | Industry, Trade & Technology |
| 12 offices | Frankfurt | Industry, Trade & Technology |
| One "co-location" | Atlanta | Industry, Trade & Technology |
| (in Canadian post) | Boston | Industry, Trade & Technology |
| | Chicago | Industry, Trade & Technology |
| | Dallas | Industry, Trade & Technology |
| | Los Angeles | Industry, Trade & Technology |
| | New York | Industry, Trade & Technology |
| | Hong Kong | Industry, Trade & Technology |
| | Singapore | Industry, Trade & Technology |
| | Tokyo | Industry, Trade & Technology |
| | Seoul (in Embassy) | Industry, Trade & Technology |
| **British Columbia** | London | Economic Development |
| | Dusseldorf (in Cdn. Consulate) | Economic Development |
| Five offices | Los Angeles | Economic Development |
| Four "co-locations" | San Francisco (office and in | Tourism and |
| (in Canadian posts) | Cdn. Consulate) | Economic Development |
| | Tokyo | Economic Development |
| | Seattle | Economic Development |
| | Hong Kong (in Cdn. Commission) | Economic Development |
| | Seoul (in Embassy) | Economic Development |
| **Saskatchewan** | London | Economic Development & Trade |
| | Minot, North Dakota | Economic Development & Trade |
| One full government office | New York | Economic Development & Trade |
| Three "consultant" offices | Hong Kong | Economic Development & Trade |
| **Manitoba** | Hong Kong | Industry, Trade & Technology |
| One office | | |
| **Nova Scotia** | London | Development |
| | Portland, Maine | Tourism |
| Two offices | | |

| | Locations Represented | Department Responsible |
|---|---|---|
| **Quebec**<br><br>21 offices<br>Five in Canadian Posts<br>One in an international organization | Atlanta<br>Boston<br>Chicago<br>Lafayette<br>Los Angeles<br>New York<br>Washington<br>Brussels<br>Lisbon (in Embassy)<br>London<br>Milan<br>Paris<br>Rome (Immigration Staff in Cdn. Embassy and separate office for general purposes)<br>Stockholm<br>Dusseldorf<br>Bangkok (in Embassy)<br>Hong Kong<br>Singapore<br>Tokyo<br>Bogota<br>Buenos Aires (in Embassy)<br>Caracas<br>Mexico<br>Port-au-Prince, Haiti<br>Abidjan, Ivory Coast (in Embassy)<br>Dakar, Senegal (in Association des Universites de la langue Francaise) | All of Quebec's Foreign Offices are the responsibility of the Ministry of International Relations, except as noted.<br><br>Immigration<br><br>Immigration |
| **Alberta**<br><br>Six offices<br>Two tourism consultants | London<br>New York<br>Hong Kong<br>Tokyo<br>Los Angeles<br>Houston<br>Washington, D.C. (Tourism Consultant)<br>Geneva (Tourism Consultant) | Federal & Intergovernmental Affairs<br>Federal & Intergovernmental Affairs<br>Federal & Intergovernmental Affairs<br>Federal & Intergovernmental Affairs<br>Economic Development, and Tourism<br>Economic Development<br>Tourism<br><br>Tourism |
| **New Brunswick** | None | |
| **Prince Edward Island** | None | |
| **Newfoundland** | None | |

## PROVINCIAL REPRESENTATION ABROAD — BY REGION

| | Office (in operation since) | Other Representation | Primary Function |
|---|---|---|---|
| **Europe** | | | |
| **London** | Alberta (1948) | | General |
| | British Columbia (1872) | | General |
| | Saskatchewan (1949) | | General |
| | Ontario (1945) | | General |
| | Quebec (1962) | | General |
| | Nova Scotia (1969) | | General |
| **Frankfurt** | Ontario (1970) | | Economic and Tourism |
| **Dusseldorf** | Quebec (1970) | | Economic and Tourism |
| | | British Columbia (1986) (in Canadian Consulate) | Trade, Investment |
| **Paris** | Ontario (1978) | | General |
| | Quebec (1961) | | General |
| **Brussels** | Quebec (1972) | | General |
| **Stockholm** | Quebec (1984) | | Economic |
| **Milan** | Quebec (1965) | | Economic |
| **Rome** | Quebec | Quebec (in Canadian Embassy) | General Immigration |
| **Lisbon** | | Quebec (in Canadian Embassy) | Immigration |
| **Geneva** | | Alberta (1986) (Consultants) | Tourism |

| | Office (in operation since) | Other Representation | Primary Function |
|---|---|---|---|
| **Asia** | | | |
| **Hong Kong** | Alberta (1980) | | Economic, Immigration |
| | | British Columbia (1986) (in Canadian Commission) | Economic |
| | Saskatchewan (1985) | | Trade |
| | Manitoba (1985) | | Trade |
| | Ontario (1979) | | Economic, Immigration |
| | Quebec (1984) | | Economic, Immigration |
| **Tokyo** | Alberta (1969) | | Economic |
| | Ontario (1969) | | Economic |
| | Quebec (1972) | | Economic and Tourism |
| | British Columbia (1986) | | Economic |
| **Singapore** | Ontario (1985) | | Economic |
| | Quebec (1984) | | Economic |
| **Bangkok** | | Quebec (in Canadian Embassy) | Immigration |
| **Seoul** | | Ontario (1986) (in Canadian Embassy) | Trade |
| | | British Columbia (1986) (in Canadian Embassy) | Trade |

| | Office (in operation since) | Other Representation | Primary Function |
|---|---|---|---|
| **United States** | | | |
| **Atlanta** | Ontario (1979) | | Economic |
| | Quebec (1978) | | Economic and Tourism |
| **Boston** | Ontario (1983) | | Economic |
| | Quebec | | Economic and Tourism |
| **Chicago** | Ontario (1953) | | Economic and Tourism |
| | Quebec (1969) | | Economic and Tourism |
| **Dallas** | Ontario (1979) | | Economic and Tourism |
| **Houston** | Alberta (1981) | | Trade |
| **Los Angeles** | Alberta (1964) | | Economic and Tourism |
| | British Columbia (1969) | | Tourism |
| | Ontario (1967) | | Economic |
| | Quebec (1970) | | General |
| **Minot, N. Dakota** | Saskatchewan | | Trade |
| **New York** | Alberta (1982) | | General |
| | Saskatchewan (1986) | | Economic |
| | Ontario (1956) | | Economic and Tourism |
| | Quebec (1961) | | General |
| **Portland, Maine** | Nova Scotia (1977) | | Tourism |
| **San Francisco** | British Columbia (1958) | | Tourism |
| | | British Columbia (1987) (in Canadian Consulate) | Economic |
| **Seattle** | British Columbia (1982) | | Tourism |
| **Washington** | Quebec (1978) | | Tourism |
| | | Alberta (1986) (Consultants) | Tourism |
| **Lafayette, Louisiana** | Quebec (1970) | | Culture and Education Cooperation |

| | Office (in operation since) | Other Representation | Primary Function |
|---|---|---|---|
| **Africa** | | | |
| **Abidjan, Ivory Coast** | Quebec | | Culture and Education Cooperation |
| **Dakar, Senegal** | | Quebec (in Association des Universites de la Langue Francaise) | Education and International Development |
| **Latin America & Caribbean** | | | |
| **Mexico City** | Quebec (1980) | | General |
| **Bogota** | Quebec | | Economic |
| **Caracas** | Quebec (1979) | | Economic |
| **Buenos Aires** | | Quebec (in Canadian Embassy) | Immigration |
| **Port-au-Prince, Haiti** | Quebec (1978) | | Immigration |

# APPENDIX C

## EXAMPLES OF FOREIGN OFFICE INITIATIVES

The foreign offices become involved in many and varied activities. The following examples are intended to provide a brief cross-section of the kinds of activities in which staff of the offices have participated.

In all cases the role of the Alberta office has been that of a catalyst or facilitator. Credit for successful ventures must go primarily to the individual Alberta businessperson. Other Alberta government officials, and on occasion federal officials, have also had an important role to play. As well, some credit must go to the foreign entrepreneur or tourist who has the wisdom to see the advantages of buying Alberta's products and expertise, of locating a new business in Alberta, or of enjoying the beauty of this province!

### London Office

- Resulting from the Alberta office's excellent contacts with the oil and gas and financial community in the United Kingdom, a series of investment seminars given by the Independent Petroleum Association of Canada (IPAC) to invited audiences in the United Kingdom was extremely successful. Both the preparatory work and follow-up undertaken by the Alberta office contributed greatly to the interest generated in the Alberta energy sector and it is understood that, immediately following the seminar, a large number of junior oil and gas shares were bought by various U.K. interests. As a result of the drop in oil prices since that time, this interest has not been sustained at the same level. However, it also should be stressed that, due to the continued efforts of Alberta's office, European investors are kept up to date about the changing energy scene and opportunities which are available.

- The advance work undertaken by the Alberta office to assist companies participating in major trade shows, such as the Aberdeen Oil Show — contacting possible purchasers directly and offering to set up appointments in conjunction with the show — provide the companies with important additional opportunities to meet potential purchasers. Following the last Aberdeen Oil Show, Alberta House arranged small "show and tell" sessions at the London office, allowing the Alberta companies an opportunity to meet potential customers in a much more "captive" way. Letters from a number of participating companies confirmed that such extra efforts lead to substantially increased sales.

- As a result of a departmental initiative in Alberta and support by the London office, the Siemens Corporation of Germany is developing advanced rail control technology in Alberta.

- Assistance was given to six Alberta companies in obtaining $22 million worth of contracts in Hungary (World Bank project).

- Alberta expertise in quarter horse breeding, equestrian events, and in the manufacture of equine related products is showing a marked increase in sales in the United Kingdom; for example, an Alberta company, working with the London office, has established a sales and training centre in England.

- Because of Alberta's presence in London, a representative of a major international conglomerate involved in hotels, department stores, and more recently, the oil and gas business, approached the office concerning exploratory drilling for oil and gas. Subsequent contacts and follow-up by the Alberta office resulted in that company obtaining exclusive rights to offshore drilling in a large area.

- The Alberta office directly assisted and facilitated K-Bro Linen Systems of Edmonton in exploring the potential in the United Kingdom for hospital contracts for laundry management and sales of their Western Medi-Aid products. Some sales have already been achieved and the company is confident that further success can be expected.

- Many companies use the facilities and logistical support of Alberta's office in London for promotional efforts and displays, and the office thus facilitates their sales efforts in the region.
  - EBA Engineering of Edmonton used Alberta's office to set up computer equipment and then invited potential clients to view the software packages produced by their company;
  - Hydra Fitness Equipment of Sherwood Park had its products displayed at Alberta House and many potential purchasers of the equipment, including military and police training personnel, were able to receive a first-hand demonstration from company representatives; and
  - Keyword Office Technologies Ltd. of Calgary used Alberta House to launch its sales operation in London. The company manufactures both computer hardware and software combinations which can convert information (on diskettes) between most makes of word and micro processors.
- Art exhibitions held at Alberta House have led to some commercial sales, such as those of Harry O'Hanlon bronzes and Paul Woodrow paintings.
- A British company interested in setting up a magnesium production plant was convinced by Alberta's Agent General that locating in Alberta was preferable to other parts of the world.
- The London office is constantly searching for European companies which have the ability to invest and could be encouraged to locate in Alberta. Recent efforts include working with a British company proposing to establish a food processing plant using unique Belgian packaging technology; and with a West German company planning to manufacture highly technical and specialized equipment to serve the oil and gas industry.

## Tokyo Office

- Following detailed study and discussions on the means to sell Alberta beef into the difficult Japanese market, the Tokyo office supported Alberta companies and the Department of Agriculture through numerous product demonstrations, study missions and participation in food shows. Continuing efforts to identify potential purchasers, persuade them to place orders, and to "lobby" the people who administer the system have resulted in sales increasing from 80 tonnes in 1985, to approximately 350 tonnes in 1986, with a target of 1500 tonnes in 1987. Alberta has now made significant progress in establishing a reputation as a supplier of a unique type of quality beef. Once the level of 1500 tonnes is reached, Alberta will be well on its way to achieving sales equal to eight to ten per cent of the high quality beef market in Japan — equivalent to annual sales of about $60-$80 million.
- Alberta's office identified a potential market in Japan for cheddar cheese and located a suitable importer, resulting in steadily increasing sales during the past three years. It is anticipated that 15 tonnes, valued at $90,000, will have been sold during the period April 1986 to March 1987.
- By introducing other food commodities to potential importers, there is a steady expansion in the range of products being sold in Japan. Beef jerky, mustard seed, canola oil salad mix, mushrooms, different varieties of honey, frozen french fries, and chilled pork are among the products which the Tokyo office has helped bring into the market. For example, through initiatives by Alberta's office in fostering a relationship between Alberta and a significant chain of department stores in Japan, Alberta grocery products worth approximately $400,000 were sold in the last quarter of 1986. Further sales are expected in 1987, and plans are underway for an Alberta section within one of their stores. Grocery product sales are continuing to expand to other retail and institutional customers, and are expected to exceed $1.5 million in 1987.

- Among many other marketing efforts in Japan, the office also assisted in the 1980 identification of a market and potential importer for peat moss, resulting in a long-term contract which is still in force; and in the organization of seminars to introduce Alberta expertise available in the energy sector, resulting in at least three sales contracts.

- The Tokyo office has been active in encouraging Alberta businesses to enter the Korean market. Among the initiatives involving the Alberta office are:

  - The Alberta Swine Breeders Association was helped to achieve sales of swine in Korea, through the aggressive lobbying efforts of the Tokyo office; and
  - The Alberta Wheat Pool was successful in selling $1 million worth of forage seeds in 1986, through the intervention of the Alberta office and the Embassy.

  1987 is expected to see further increases in sales, as well as a broader range of products, especially agricultural.

- Alberta's Agent General was instrumental in persuading Shell Canada to consider a change in its marketing strategy for Korea. Shell Canada has moved in three years from zero direct sales to being Canada's largest single supplier of commodities to Korea. Sales of coal, sulphur, and petrochemicals from Shell exceeded $100 million in 1986.

- Alberta's office has increased its efforts in the promotion of investment during the past two years. An investment seminar in Japan was organized in 1985, and two in 1986. These seminars have attracted attention to Alberta as a desirable place to invest. For example, currently eight companies are in various stages of the investment decision. All are considering Alberta as a potential locale and there are reasonable prospects for success in two or three of these ventures. Discussions also are underway with several prospective investors from Korea.

- The Hokkaido Takushoku Bank was advised by the Tokyo office of the opportunity to invest in the Bank of Alberta. Subsequently, the principals of the two banks were introduced by the Tokyo office. The negotiations were carried out by the banks, but the 10 per cent equity investment — $3.9 million — would not have taken place without the Alberta Agent General taking the initiative.

- Through the constant follow-up by, and involvement of, the Agent General and his staff, the Taiho Pharmaceutical Company of Tokyo has decided to invest in the creation of an Alberta subsidiary to research, develop and market anti-viral compounds. At the initial stage, the investment will total some $10 million. Secondary phases will involve substantially more; and the parent company is considering an additional manufacturing facility in Alberta.

- Tourism from Japan is on a steady increase. Alberta's office is promoting new types of tours which travel agents can offer to clients, and encouraging tourists to stay a day or two longer and visit sites other than Banff and Jasper.

- Using the 1988 Olympics and Expo '86 as catalysts, the Tokyo office has been particularly aggressive in seeking out media coverage to enhance awareness of Alberta, and to assist in tourism promotion, investment, and trade decisions. The office has arranged television coverage of the Tyrrell Museum, West Edmonton Mall, the Celebrity Ski event at Nakiska, Mt. Allan, and the Olympic facilities, as well as magazine and newspaper coverage. Alberta is now much better known than most other Canadian provinces.

- The Tokyo office has arranged to have various Alberta cultural groups do tours of Japan (as have our other offices in their respective regions). This gives the artists international exposure, enhances the Alberta image, and adds to the income of the artists. Some Alberta groups that have visited Japan include the Tommy Banks Quintet, the White Braid Society, the University of Alberta String Quartet, the modern dance group "Kompany", and K.D. Lang.

## Hong Kong Office

- The recent purchase of 43 per cent of Husky Oil by Li Ka Shing undoubtedly benefited from the presence of a NOVA, An Alberta Corporation, office in Hong Kong, and from the cooperative and continuous efforts during the past four or five years by that office, and by Alberta's Agents General, to work with Mr. Li and make Alberta and Alberta's energy sector known to him. This initial and substantial investment could be an incentive for other Hong Kong investors to look at the Alberta energy sector.
- The persistent efforts of the Alberta office were a key factor in recent sales of Alberta beef valued at more than $1 million. Alberta producers had attempted to break into this highly competitive market in the past but with no success, primarily because Alberta was not well known. Consequently, the contact, follow-up and profile possible through an Alberta presence contributed to the success of this venture. The Hong Kong trading company purchasing the beef is apparently eager to make additional purchases. As well, in connection with the Canada Food Fair in March, 1987, the office arranged for successful beef promotions at hotels and restaurant chains, involving a further, immediate sale of 1840 kilos of beef from Alberta suppliers.
- As a result of direct contact by the People's Republic of China to the Alberta office, and subsequent follow-up by that office, Triad Engineering Services has sold a used oil refinery to China, worth approximately $3.5 million. Negotiations are underway for the purchase of two more such refineries.
- Sales of office furniture from Alberta to Hong Kong look promising as a result of direct initiatives and contacts by the Alberta office, with projected sales of about $2 million a year.
- Through its contacts with the Chinese business community in Hong Kong, the Alberta office interested a group of investors in developing "strip" shopping centres in Alberta, and two are now being developed in Edmonton, valued at $8 million.
- A key role of Alberta's Hong Kong office is to attract entrepreneurs to the province. A large number of Canada's and Alberta's business immigrants come from Hong Kong, and there is stiff competition from other provinces for these immigrants and the $600 million in investments which it is estimated they brought to Canada in 1986.
- The number of tourists and tourist-investors from Hong Kong to Alberta was increased greatly through the involvement of the Alberta office, in cooperation with Alberta Tourism and Canadian airlines, in two activities during 1986:
  - 80 members of the International Chinese Travel Association, the largest tour operation in Hong Kong, were encouraged, with the assistance of Pacific Western Airlines and Air Canada, to travel to Calgary, Banff, Jasper and Edmonton, following their October 1986 convention in Vancouver, and to promote increased tourism to Alberta; and
  - in association with Pacific Western Airlines, Alberta's office arranged for presentations to over 100 Hong Kong travel agents to promote travel into Alberta following Expo '86.
- Through investment missions to China and other Asian countries, return missions to Alberta, and the ongoing work of the Hong Kong office, several investment projects are currently being negotiated with Alberta firms in the oil and gas sector as well as in food processing, forest products, the clothing industry, and service/real estate sectors.

## New York Office

- The main emphasis of the New York office is on monitoring political and economic developments in Washington, D.C. in areas of interest to Alberta. For example, the office played an important role in keeping the Alberta government informed about U.S. energy policy developments which were so vital to the Province during the past two years, as both the United States and Canada moved to deregulate the energy sector. The impact of legislative, regulatory and policy changes in the U.S.

energy sector can be in the range of hundreds of millions of dollars. Similarly, other regulatory rulings, Congress initiatives in the trade policy field, and trade developments generally, can all have substantial consequences for Alberta exports.

- The office also concentrates on developing contacts within the New York financial community, including the investment banks. Through these investment house contacts, U.S. companies are becoming aware of Alberta's potential. Recently, large institutional investors and money managers have been showing strong interest in reinvesting in Alberta's energy future. In particular, one organization indicated it would be "testing the water" by purchasing $20 million in energy sector equities, with a possible further investment at a later date.
- In conjunction with a major New York investment house, the New York office recently arranged for Alberta's Minister of Energy to speak about energy investment possibilities in Alberta to 50 New England money managers. Such presentations are very valuable as most risk capital for our energy industry comes from the Northeastern United States area.
- The New York office has been in regular contact with officials of utility companies who have formed a consortium to import natural gas from Alberta to the Northeast United States. It is forecast that close to $2 billion could flow to Alberta producers as a result of this new agreement.
- The office lends assistance to Alberta companies visiting the New York area looking for both financial guidance and financial partners. As a direct result of contacts in the New York financial community, two Calgary-based companies have benefitted substantially from introductions through the Alberta office. One was able to turn a "tax loss" situation around to its advantage, while the other was able to secure long-term financing for ongoing projects.
- In addition to assisting the private sector, senior Alberta government officials are able to benefit substantially by access to the expertise of the financial community in New York to determine world trends and forecasts.

## Los Angeles Office

- The Los Angeles office has been involved in discussions with California companies in high technology, computing and other manufacturing sectors that want to locate in Alberta because of the favourable taxation environment, other lower costs and the need to develop a presence in the Canadian market. Recent investments include projects in the metal fabrication and pharmaceutical sectors.
- Numerous joint ventures and licensing arrangements between Alberta and western United States companies have been concluded following the Alberta office facilitation of the relevant meetings — in particular, an important oil technology arrangement.
- The Los Angeles office assisted in locating Alberta suppliers for a major United States defence contract.
- With the input of Alberta's office, foreign film production has been attracted from the United States. Increased production in the province is anticipated in 1987.
- The Los Angeles office has been involved in several major, new and imaginative promotional efforts to attract tourists to Alberta. The Banff/Nakiska Celebrity Ski Invitational is one example which resulted in major national and international media coverage in the United States, Finland, Sweden, and Japan, reaching millions of potential tourists. Another example, is a current display on Alberta, including an eight-foot replica of "Nakiska", displaying winter and summer seasons in the Rockies, which is being circulated to quality shopping malls throughout Southern California.
- The Los Angeles office will, during the next few months, participate with two major U.S. banks in their efforts to promote the 1988 Winter Olympics (at no cost to Alberta). Other plans to promote Alberta include activities in the

City of San Diego in early 1988 during the Super Bowl.

## Houston

- The Houston office places emphasis on the energy industry, and has facilitated the conclusion of a number of joint venture arrangements, especially in oil technology.
- The office also maintains continuing liaison with the purchasing offices of numerous Latin American nations to pursue opportunities for oil and gas equipment, technology, and service sales. Most recently, the office has facilitated opportunities for Alberta companies to sell to the Mexican, Venezuelan and Bolivian state oil companies.
- Other recent activities include assisting with a joint venture agreement which will be finalized in the spring of 1987 between a United States firm and an Alberta manufacturing group.

## 1987–88 Budget Estimates ('000s)

| | Federal and Intergovern-mental Affairs | Economic Development and Trade | Tourism | Career Development & Employment | Agriculture | Energy | Public Works Supply and Services | TOTAL |
|---|---|---|---|---|---|---|---|---|
| London | 552 | 156 | 391 | -- | -- | -- | 891 | 1,990 |
| New York | 352 | 104 | -- | -- | -- | 103 | 677 | 1,236 |
| Tokyo | 595 | -- | -- | -- | 369 | 50 | 459 | 1,473 |
| Hong Kong | 404 | 234 | -- | 238 | -- | -- | 341 | 1,217 |
| Los Angeles | 96 | 166 | 698 * | -- | -- | -- | 136 | 1,096 |
| Houston | 55 | 153 | -- | -- | -- | -- | 17 | 225 |
| TOTAL | 2,054 | 813 | 1,089 | 238 | 369 | 153 | 2,521 | 7,237 |

*includes program funds (i.e. advertising, etc.)



## 1986–87 Budget Estimates ('000s)

| | Federal and Intergovern-mental Affairs | Economic Development and Trade | Tourism | Career Development & Employment | Agriculture | Energy | Public Works Supply and Services | TOTAL |
|---|---|---|---|---|---|---|---|---|
| London | 619 | 163 | 297 | 147 | -- | -- | 887 | 2,113 |
| New York | 520 | 225 | -- | -- | -- | -- | 882 | 1,627 |
| Tokyo | 638 | -- | -- | -- | 369 | 50 | 312 | 1,369 |
| Hong Kong | 382 | 295 | -- | 90 | -- | -- | 328 | 1,095 |
| Los Angeles | 100 | 228 | 1,176 * | -- | -- | -- | 124 | 1,628 |
| Houston | 55 | 165 | -- | -- | -- | -- | 45 | 265 |
| TOTAL | 2,314 | 1,076 | 1,473 | 237 | 369 | 50 | 2,578 | 8,097 |

*includes program funds (i.e. advertising, etc.)

## 1985–86 Actual Expenditure ('000s)

| | Federal and Intergovern-mental Affairs | Economic Development and Trade | Tourism | Career Development & Employment | Agriculture | Energy | Public Works Supply and Services | TOTAL |
|---|---|---|---|---|---|---|---|---|
| London | 573 | 151 | 330 | 201 | -- | -- | 654 | 1,909 |
| New York | 409 | 170 | -- | -- | -- | -- | 637 | 1,216 |
| Tokyo | 588 | -- | -- | -- | 90 | 50 | 274 | 1,002 |
| Hong Kong | 371 | 126 | -- | -- | -- | -- | 167 | 664 |
| Los Angeles | 59 | 163 | -- | -- | -- | -- | 93 | 315 |
| Houston | 59 | 156 | -- | -- | -- | -- | 44 | 259 |
| TOTAL | 2,059 | 766 | 330 | 201 | 90 | 50 | 1,869 | 5,365 |

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